



MINUTES
Joint Special Meeting
Reno City Council
Wednesday, May 7, 2014 • 4:00 PM

Reno City Council Chamber, One East First Street, Reno, NV 89501

Robert A. Cashell, Sr., Mayor

Council Members:

Ward 1 – Jenny Brekhus	Ward 4 – Dwight Dortch
Ward 2 – Sharon Zadra	Ward 5 – Neoma Jardon
Ward 3 – Oscar Delgado	At-Large – Hillary Schieve

- 1 Pledge of Allegiance**
- 2 Observance of a Moment of Silence**
- 3 Roll Call**

Attendee Name	Title	Status	Arrived
Robert Cashell	Mayor	Absent	
Jenny Brekhus	Council Member	Present	
Sharon Zadra	Council Member	Present	
Oscar Delgado	Council Member	Present	
Dwight Dortch	Vice Mayor	Present	
Neoma Jardon	Council Member	Absent	4:12 PM
Hillary Schieve	Council Member	Present	
Andrew Clinger	City Manager	Present	
Jason Woosley	Commissioner	Present	
Charles Reno	Commissioner	Present	
Dagny Stapleton	Vice Chairman	Present	
Doug D. Coffman	Chairman	Present	
Kevin Weiske	Commissioner	Present	
Paul Olivas	Commissioner	Present	
Kathleen Taylor	Commissioner	Present	

The meeting was called to order at 4:06 PM.

- 4 Public Comment**

NO ACTION WAS TAKEN ON THIS ITEM.

- 5 Approval of the Agenda (For Possible Action) - May 7, 2014.**

5.1 **Motion:** Motion

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Sharon Zadra, Kevin Weiske
SECONDER:	Oscar Delgado, Doug D. Coffman
AYES:	Brekhus, Zadra, Delgado, Dortch, Schieve, Woosley, Reno, Stapleton, Coffman, Weiske, Olivas, Taylor
ABSENT:	Robert Cashell, Neoma Jardon

6 Items for Discussion

6.1 Staff Report (For Possible Action): Discussion and potential direction to staff regarding permitting and licensing of medical marijuana establishments, including draft ordinances relating thereto. **[All Wards]** 4:04 PM

Recommendation: Staff recommends Council and the Planning Commission provide input into the proposed changes to Reno Municipal Code Title 5 and 18 as it relates to medical marijuana establishments.

Proposed Motion: I move to approve the staff recommendations.

COUNCIL MEMBER JARDON PRESENT AT 4:12 P.M.

Cadence Matijevich, Assistant City Manager, presented an overview of the Staff Report and workshop agenda.

Council Member Brekhus and Ms. Matijevich discussed recent Gaming Control Board direction regarding the conflict between federal and state laws with respect to medical marijuana and operators who hold gaming licenses.

Claudia Hanson, Community Development Planning and Engineering Manager, discussed medical marijuana establishment definitions and other proposed Title 18 Code amendments.

Michael Chaump, Community Development Business Relations Manager, presented an overview of the proposed Title 5 Code amendments and business licensing fees for medical marijuana establishments.

Frederick Ellis, 6015 South Virginia Street, discussed his experiences with marijuana.

Hugh Hempel, hugh@hempelfamily.com, member of a group who has sick children who need medical marijuana, discussed his objections to the proposed 300 foot setback (buffer) from residentially zoned property, and his support for having some flexibility in the hours of operation for medical marijuana establishments.

Rebecca Gasca, 250 Bell Street, presented a Public Comment Form, but did not speak.

Commissioner Coffman asked how many dispensaries will be allowed to operate in the City of Reno, and Ms. Hanson explained that Washoe County has ten medical marijuana establishments to allocate at their discretion, and has so far allocated two to Reno and two to Sparks. She noted that the Reno City Council requested that staff approach Washoe County to request up to five for the City of Reno.

Council Member Jardon and Ms. Matijevich discussed the 25% formula for the allocation of dispensaries in Washoe County, and the status of the City's request for additional medical marijuana establishments.

Council Member Brekhus questioned whether hiring a surveyor would be the appropriate avenue for determining distance measurements from residentially zoned property.

Commissioner Reno said that surveyors routinely conduct ALTA (American Land Title Association) surveys, which are more accurate than Geographic Information Systems (GIS) surveys, and can be done fairly inexpensively.

Council Member Brekhus discussed her concerns about not providing enough locations for medical marijuana dispensaries, and suggested the possibility of locating them within Planned Unit Developments (PUDs).

Fred Turnier, Community Development Director, said that an analysis conducted by staff to determine the number of available acreage for medical marijuana establishments showed that there are approximately 6,142 available acres without the 300 foot buffer requirement, and approximately 5,788 available acres with the proposed 300 foot buffer from residential zoned property.

Council Member Brekhus questioned why staff chose the 300 foot residential buffer option over the Code provision related to Special Use Permits (SUPs) for residential adjacency.

Mr. Turnier said that Council direction was to consider a variety of options, including a 300 foot buffer from residential, and noted that staff is trying to move away from land use entitlements for property.

Council Member Brekhus and Mr. Turnier discussed recent land use amendments.

Commissioner Reno and Ms. Matijevich discussed the rationale used by the Legislature to determine that Washoe County should be allocated ten medical marijuana establishments.

Council Member Schieve, Mr. Turnier and Tom Robinson, Deputy Chief of Police,

discussed the hours of operation for medical marijuana facilities in Denver, Colorado (10:00 a.m. to 6:50 p.m.). Deputy Chief Robinson said that the rationale for determining the hours of operation in one location was based on the availability of sufficient daytime staffing levels to conduct compliance and enforcement checks of the facilities. Mr. Turnier added that other Colorado facilities operated between the hours of 9:00 a.m. to 6:00 p.m.

Council Member Jardon asked if cultivation facilities had limitations on their hours of operations, and Mr. Turnier said that cultivation usually is a 24-hour operation. The cultivation facility we visited, he said, did not have posted hours of operation, and the entryway was locked. Deputy Chief Robinson clarified that there was no public access to marijuana cultivation facilities, and therefore there were no restrictions on the hours of operation.

Discussion ensued regarding infrastructure requirements and environmental regulations governing cultivation facilities; extended hours of operation in 24-hour gaming communities such as Las Vegas and Reno; how State regulations would address enforcement issues that arose in other communities; and staffs' recommendation that base zoning become the hours of operation, and the Council determine the appropriate hours of operation through a performance agreement based on specific site locations.

Deputy Chief Robinson reiterated that additional monies might be required to fund the staffing levels necessary to make compliance and enforcement checks at establishments that operate into the evening hours.

David Ward, 4740 Ellicott Way, discussed his son's disability and his interest in co-owning/operating a medical marijuana business. He said that he visited Arizona Organics in Phoenix, Arizona, and found it to be a very clean and professional facility that operates from 10:00 a.m. to 7:00 p.m. seven days a week. Mr. Ward requested that the Council and Commissioners consider making exceptions to the set hours of operation in some cases, and cautioned that 300 foot setback will be problematic in areas such as Wells Avenue and Midtown District where most of the businesses are within 300 feet of residential.

Commissioner Weiske asked if the 300 foot residential adjacency and community facility requirement will be applied to Reservation and federal properties, and Ms. Hanson replied that same spacing criteria will be used for Reservation and federal property, as is currently done across federal, Washoe County and City of Sparks' property lines.

Commissioner Weiske asked if there is currently a residential adjacency distance requirement for establishments selling alcohol or providing live entertainment, and if the distance requirement is 300 feet.

Ms. Hanson replied that there is currently no spacing requirement for alcohol sales, and live entertainment is considered on a case-by-case basis.

Commissioner Weiske asked if there is currently a spacing distance for drug stores from residential, and Ms. Hanson replied that there is currently no spacing requirement separating drug stores from residential areas.

Commissioner Stapleton asked if the 300 foot spacing requirement would affect the urban core more because of the density of uses there.

Ms. Hanson replied that the 300 foot setback would greatly affect the urban core, particularly in the Wells Avenue District, along South Virginia Street, and in the West Fourth Street area, because those areas are adjacent to more residentially zoned property. She said that there is a great deal of Mixed Use (MU) zoning in the downtown core, so the residential buffer would not be as much of an issue there.

Commissioner Coffman asked if Arizona and Colorado have a 300 foot spacing requirement for dispensaries, and Mr. Turnier said that he did not see any such spacing requirements in Denver. Mr. Turnier said that the dispensaries were primarily along the commercial corridors, so along the arterial streets, and also within MU, Industrial (I) and Commercial (C) areas, while the cultivation area was within an older I area that was buffered between a major arterial, the railroad, and a mix of housing uses. The dispensaries, Mr. Turnier clarified, were within 300 feet of housing, essentially one block off from residential neighborhoods.

Council Member Jardon and Mr. Turnier discussed whether Reno, Sparks and Washoe County were coordinating their plans for determining where dispensaries can be located, and Ms. Jardon said that her concern was that dispensaries are allowed to operate near medical facilities where they can be easily accessed by patients who need the drug.

Deputy Chief Robinson said that, from a law enforcement perspective, staff is not concerned about providing the 300 foot buffer from residential land uses because the businesses will be legitimate and highly regulated.

Council Member Zadra asked how the 300 foot buffer compares to Las Vegas, and Ms. Matijevich replied that at one point the City of Las Vegas (i.e., Clark County) considered, but did not adopt, a 300 foot residential adjacency requirement. Ms. Matijevich said that Clark County did, however, adopt a 660 foot residential adjacency buffer for cultivation facilities.

Council Member Zadra and Deputy Chief Robinson discussed the location of recreational and medical marijuana dispensaries in Denver, Colorado.

Discussion ensued regarding compliance and enforcement issues, including the possibility of conducting police sting operations at Reno's medical marijuana facilities; business licensing; and identifying the individuals in Limited Liability Companies (LLCs).

Council Member Delgado said that a 300 foot buffer from residential is excessive.

Vice Mayor Dortch said that requiring a residential adjacency buffer of any distance is a policy decision, and staff is seeking direction from the Council. He questioned the rationale behind the proposed 300 foot buffer, and why medical marijuana establishments should be treated any differently than other businesses.

Council Member Brekhus suggested using the standard Special Use Permit (SUP) process for handling residential adjacency issues.

Council Member Zadra said that the 300 foot buffer was proposed in response to public concern.

Council Member Jardon said that the Denver, Colorado, data does not support those neighborhood concerns and, quite to the contrary, show that the establishments actually improved the neighborhoods. She also said that an increase in calls for service and other initial fears did not come to fruition.

Commissioner Woosley suggested the possibility of restricting the hours of operation rather than imposing a 300 foot buffer requirement.

Mr. Turnier stated that staff did not recommend using the SUP process. He said that the performance agreement process provides more flexibility than the SUP process, and will address site specific adjacency and hours of operation issues. He discussed concerns about property rights, and what sometimes happens when a business is sold and the SUP remains with the land.

Discussion ensued regarding new versus existing construction and residential adjacency restrictions; triggering the residential adjacency requirement with intensified uses; creating a residential adjacency prohibition; and the unlikelihood that anyone would choose to go through the SUP process because of the State's application submission deadline.

Commissioner Coffman said that the proposed 300 foot residential adjacency restriction should be eliminated, and explained that the medical marijuana facilities will be professional and well regulated, and should be treated no differently than pharmacies.

Commissioner Weiske agreed that the 300 foot buffer should be eliminated, and said that

he would support Council Member Brekhus' suggestion for imposing a residential adjacency prohibition. Mr. Weiske said that the prohibition would eliminate the problem of protecting residents and residential property owners.

Commissioner Taylor stated that the 300 foot buffer should be eliminated. She referred to staffs' recommendation to take things slowly in making preparations, and stated that prohibiting something up front seemed rather permanent.

Discussion ensued regarding MU zoning in the Wells Avenue district; reversion to the adjacency default if there is no prohibition in place; and the possibility (and legality) of charging those establishments wishing to extend their hours of operation an additional fee to cover the cost of providing compliance and enforcement checks.

Ms. Matijevich discussed the rationale for using the performance agreement model to determine the hours of operation. She said that staff recommends that the hours of operation be consistent with whatever the base zoning is, and if individual property owners wish to come forward and request something different or if the City observes something during the evaluation process that necessitates a limitation on the number of hours, that can be done on the back side.

The Council Members agreed that the 300 foot residential adjacency buffer should be eliminated provided there is a residential adjacency restriction (i.e., residential zoning adjacency not necessarily residential use).

Vice Mayor Dortch asked what direction staff needed regarding license fees.

Michael Chaump, Community Development Business Relations Manager, said that staff needed direction with respect to which type of fee schedule the Council recommended (i.e., the flat fee scenario recommended by staff versus a gross receipt scenario).

Ms. Matijevich clarified that a business license would need to be issued for each establishment; what has been referred to as 'vertical integration' businesses (i.e., those with cultivation, dispensary, and an establishment all located in a single location) would all three need licenses; and the fees would apply to each license.

Council Member Brekhus and Mr. Chaump discussed examples of businesses that are charged a flat fee (those that require more services) versus those that are charged based on gross receipts.

The Council Members agreed to support the staff recommendation for charging a flat fee.

NO FORMAL ACTION WAS TAKEN ON THIS DISCUSSION ITEM.

- 6.2 Staff Report (For Possible Action): Discussion and possible direction to staff regarding minimum criteria to be contained in a performance contract between the City of Reno and each operator of a medical marijuana establishment. 5:33 PM

Recommendation: Staff recommends Council provide direction on the minimum criteria to be contained in a performance contract between the City of Reno and operators of medical marijuana establishments within the City.

Proposed Motion: I move to approve staff recommendation.

Cadence Matijevich, Assistant City Manager, said that the presentation given under agenda item 6.1 also applied to this item. She said that staff is seeking direction with respect to whether the performance contract should be executed before a business license application can be submitted, and minimum criteria for such things as hours of operation and signage size/type restrictions.

Council Member Jardon and Ms. Matijevich discussed provisions within State law that apply to signage.

Joey Gilbert, no address provided, discussed the proposed exclusion of medical marijuana dispensaries in the East Fourth Street corridor.

Council Member Jardon and Claudia Hanson, Community Development Planning and Engineering Manager, explained the proposal to exclude dispensaries from locating in the East Fourth Street corridor.

Fred Turnier, Community Development Manager, reminded the Council that staff is soliciting input regarding the location of dispensaries, and it is at the Council's discretion to determine where dispensaries can be located.

Council Member Brekhus said that she would not oppose allowing a dispensary in the East Fourth Street corridor. She also said that she had recently visited a 10-acre vacant parcel at Keystone Avenue and Fifth Street that could be considered as a potential site, and she would be uncomfortable with excluding medical marijuana cultivation, laboratory testing, and production from the downtown districts.

Mr. Turnier provided an overview of the areas staff recommended for medical marijuana dispensaries.

Commissioner Weiske asked if in Colorado there is a distance separation between the cultivation, testing, and production facilities, and Mr. Turnier said that they are physically separated, but located in downtown, industrial, and commercial corridors.

Commissioner Weiske suggested creating a separation distance if permitted uses are added to the ones now suggested as not permitted so that all four medical marijuana establishments are not in the same location.

Mr. Turnier noted that all four medical marijuana establishments cannot be in the same location. The testing facility has to be physically separated from the facility, he said, but the others can be vertically integrated.

Council Member Jardon and Vice Mayor Dortch discussed whether it would be prudent to require a set minimum distance that must be maintained between the facilities.

Mr. Turnier suggested that a distance requirement might be difficult to administer.

Angela Fuss, representing CFA, noted that the area from First Street (City Hall) on the South Virginia Street corridor all the way down to Neil Road will be prohibited from having dispensaries.

Council Member Brekhus said that the Geographic Information Survey (GIS) program run by staff determined that the parcels in those areas do not meet the separation or buffer distance required by the State.

Mr. Turnier said that under State law, parcels with churches and schools are also blocked out. With this matrix, he said, staff can, if the Council so directs, consider all of the South Virginia corridor in the process.

Commissioner Stapleton and Ms. Hanson discussed examples of Community Commercial (CC) land uses (e.g., a lot of Kietzke Lane, and McCarran Boulevard near the Walmart at Seventh Street).

The Council agreed that medical marijuana dispensaries should be allowed in the East Fourth Street Transit corridor, and staff should explore the downtown districts (Wells Avenue, Keystone Avenue, and Entertainment) as potential locations for cultivation, production and testing lab facilities.

Council Member Brekhus requested that staff provide the NRS provision governing the cap on business license increases.

Ms. Matijevich read from NRS 453A.350 regarding signage for medical marijuana establishments.

Hugh Hempel, hugh@hempelfamily.com, said that the chart with the grid prepared by staff could disallow the possibility of someone with a large cultivation facility in an

industrial area to co-locate a dispensary, which completes the vertical integration model and is highly desirable.

Tom Robinson, Deputy Chief of Police, said that staff has concerns about the co-location of medical marijuana dispensaries and other processing or cultivation facilities, particularly because it makes those facilities a target for break-ins and other criminal activities.

NO FORMAL ACTION WAS TAKEN ON THIS DISCUSSION ITEM.

7 Public Comment

NO ACTION WAS TAKEN ON THIS ITEM.

8 Adjournment (For Possible Action)

THE MEETING WAS ADJOURNED AT 6:00 P.M.